TAN Registration:

A Complete Guide for Businesses & Individuals

What is TAN?

TAN stands for Tax Deduction and Collection Account Number. It is issued under Section 203A of the Income Tax Act, 1961, and is required for deducting or collecting TDS/TCS before making specific payments.

For example, if a business pays salaries, rent, professional fees, or contractor payments, it must deduct TDS and deposit it with the government. To do this, it must first obtain a TAN number.

Who Needs to Apply for TAN?

- ☑ Employers deducting TDS on salaries
- ☑ Businesses deducting TDS on contractor payments, rent, professional fees, or commission
- ☑ Banks deducting TDS on interest payments
- ☑ Companies deducting TCS (Tax Collected at Source) on sales
- ☑ Government departments & entities required to deduct TDS

Note: Individuals who do not require TDS deduction (such as freelancers or salaried employees) do not need a TAN.

Documents Required for TAN Registration

- 🔨 PAN Card of the business or individual
- 🔨 Business registration documents (if applicable)
- 🔨 Address proof (Aadhaar, Passport, Utility Bill, etc.)
- 🔨 Authorized signatory details (for companies and firms)
- 🔨 Valid email ID & phone number

How to Check TAN Status?

You can check the status of your TAN application on the NSDL website by entering:

- ☑ Acknowledgment Number
- ☑ Name of the Applicant
- ☑ Date of Application

How to Correct or Update TAN Details?

If there are errors or changes in your TAN details (address, name, contact details, etc.), you can apply for TAN correction through the NSDL portal by selecting 'Change Request' and submitting the updated information.

Consequences of Not Having a TAN

🔒 Penalty of ₹10,000 under Section 272BB for failure to obtain TAN
🔒 TDS Returns cannot be filed without TAN
🔒 Businesses may face legal action for non-compliance

TAN vs PAN: What's the Difference?

Feature	TAN (Tax Deduction & Collection Account Number)	PAN (Permanent Account Number)
Purpose	Used for TDS/TCS deduction & collection	Used for tax filing & financial transactions
Who Needs It?	Businesses, companies, employers deducting TDS	Individuals, businesses, and entities
Format	10-character alphanumeric (e.g., **DELH12345A**)	10-character alphanumeric (e.g., **ABCDE1234F**)
Required for?	Filing TDS/TCS returns	Filing income tax returns

Common Mistakes to Avoid in TAN Registration

✖ Incorrect PAN details – Leads to rejection of TAN application
✖ Wrong category selection – Ensure correct deductor type is chosen
✖ Failure to submit physical acknowledgment – Delays TAN processing
✖ Using PAN instead of TAN for TDS payments – Attracts penalties

Conclusion

TAN registration is mandatory for businesses and entities deducting TDS/TCS. By obtaining TAN on time, filing TDS returns, and complying with tax regulations, businesses can avoid penalties and ensure smooth operations.

Need Help with TAN Registration?

Our experts provide **hassle-free TAN registration, TDS compliance, and tax advisory services**. **Contact us today for assistance!** 🚀